

## **Revisions to the Policy and Procedures for Participating Lenders (“Sellers Guide”)**

1.5. Specifies that certificates of mortgage insurance or guaranties must be provided within 120 days after the loan closing. After that a loan will be considered uninsured and subject to a repurchase notice being sent to the Seller.

3.113 Clarifies requirements for non-citizen eligibility. Citizens, Permanent Residents and documented long-term Non-permanent residents are eligible to apply for an Agency Home Buyer Program loan. Short-term VISA holders, including students, tourists and seasonal workers are ineligible. Individuals who are not able to provide documentation authorizing their presence in the United States are not eligible.

3.204 (f) 2. Clarifies that bankruptcy must have been discharged two-years prior to loan application and that this applies to both Chapter 7 & Chapter 13 filings.

3.315 Clarifies the escrow “cushion” requirement.

3.319 Specifies that the original Assignment of Mortgage (HMFA 142) must be delivered within 120 after the loan closing. After that a loan will be considered unassigned and subject to a repurchase notice being sent to the originator.

4.101 Provides more specificity with respect to file forms. The Agency has revised its file management procedures and is specifying each document that must be in each file.

4.102 Specifies that files must be originals. Specifies that true copies of the immediate past three-years tax returns are to be included in the file. There is a need for the Agency to specify its requirements as many lenders and servicers are expressing a preference for file imaging. File imaging may not adequately satisfy federal tax-audit requirements.